

Paris Club bankrolls Central Africa wars

by Linda de Hoyos

The Paris Club, the consortium of government lenders and donors to developing countries, has effectively acknowledged its interest in instigating and fueling wars in East and Central Africa, whose purpose is the annihilation of the governments and nation-states of the continent, and the deaths of millions of civilian men, women, and children.

The announcement came Dec. 10 in the form of the Club's decision that it would hand over to the Ugandan government of President Yoweri Museveni the sum of \$2.2 billion over the next three years, a decision believed to be heavily backed by London and complicit circles in Washington. This is a huge sum, in comparison to the tens of millions eyedropped to most African countries. To underline its endorsement of the Museveni regime, the Club's bankers chose not to meet in Paris, as is usual, but travelled to the Ugandan capital of Kampala to officially render their financial decision.

As the Paris Club was meeting, these are some of the stories that were gracing the newspapers in Kampala:

- On Dec. 6, Maj. Gen. Caleb Akandwanaho (a.k.a. Salim Saleh), the half-brother of President Museveni, was forced to resign from his post as Senior Adviser to the President on Defense and Security, when evidence finally came to light proving conclusively that Saleh had secretly bought the Ugandan state bank, the Uganda Commercial Bank, when it was privatized as part of the International Monetary Fund-dictated state privatization plan.

- The World Bank released a report to the Ugandan government documenting 12 cases of embezzlement of public funds from the Ugandan Treasury — mostly donor funds. According to the World Bank report, "Uganda is one of the more corrupt countries in the world." The United Nations-backed Transparency International has placed Uganda as the 13th most corrupt country out of 85 surveyed.

- A Ugandan Parliament select committee issued a 54-page report on the privatization process in Uganda, and has recommended the dismissal of four Cabinet ministers for their role in large-scale corruption and conflict of interest in the privatization process.

- Uganda was the recipient of a large shipment of tanks, from Russia, and then another shipment from Bulgaria, which, as reported in the *New York Times* on Dec. 6, U.S. officials predicted would be used in Uganda's ongoing military operations in the Democratic Republic of the Congo, or

would be used against Sudan by Ugandan troops with John Garang's Sudanese People's Liberation Army.

As African nations know only too painfully, if such corruption and military expansionism were being carried out by any other government, pressure would be coming down for the removal of the government. The Western press would be running high-profile stories against the corrupt mismanagement of the dictatorial and nepotic President; lenders would be shutting off the spigot in demand that corruption be cleaned out; military aid would be out of the question; the U.S. State Department and British Foreign Office would be issuing denunciations of the Museveni government, demanding its compliance with "norms."

None of this has happened. The Paris Club monies are the equivalent of two-thirds of the national debt, as Uganda's \$6 billion debt has already been whittled down by a series of debt relief packages. In its \$2.2 billion offer, the Paris Club declared that the bankers were still "concerned" about rising military expenditure because of the Congo deployment, and also about corruption.

The Ugandan Popular Defense Forces are currently deployed in military operations in several neighboring countries:

- Sudan, where the UPDF has aided the Sudanese People's Liberation Army, with invasions against Sudan in September 1995, January 1997, and September 1998.

- The Democratic Republic of Congo, where UPDF troops have seized control of the northeastern area of the D.R.C., from which it operates with the SPLA both inside Sudan and in the Congo. Operations there are led by Museveni's nephew Brigadier James Kazini, who directed the Ugandan invasion of the Congo on Aug. 2, 1998. There are reports that Rwandan and Ugandan troops, allies in the war to militarily bring down the Congo government of Laurent Kabila, are now clashing with each other over the spoils of mineral-rich eastern Congo. A recent battle reported between the two former allies resulted in 8 Ugandans and 31 Rwandans dead.

- There are reliable reports that the Ugandan military is equipping Jonas Savimbi's Unita in its renewed civil war against the government of Angola. Unita is now launching an assault on Angola's central highlands with "sophisticated equipment," including 90 BMP-2s, the world's most technologically advanced assault vehicle. According to South African defense forces, Unita has acquired "a mobile war capacity which combined armor and artillery" for the first time, in its current offensive. It is believed that this was acquired through Uganda, which wants to escalate the war in Angola in order to force the withdrawal of Angolan troops deployed in defense of the Congo.

At the same time, at least one-third of Uganda's own territory — including the entirety of the two northern districts of Kitgum and Gulu — is under constant assault by insurgencies, which the Ugandan forces are apparently unable to defeat,

while the government has used the excuse of the insurgencies to gain military equipment.

None of the deployments of the UPDF would be possible financially for Uganda—a nation with one of the world's lowest life expectancies—if it were not for the largesse of the donor community.

The donors took note of Museveni's "defense" expenditures, but then "signed on" to promote Museveni's expansionist drives: "While recognizing the regional and internal security issues that confront Uganda, they saw a risk that pressures for higher defense spending could undermine Uganda's record of macro-economic stability or divert government resources from priority expenditures." However, "the overall judgment by donors was that the performance level of Uganda has been very good. Uganda has openly accepted its mistakes and proposed to rectify them. Uganda has shown the best average GDP growth in sub-Saharan Africa over the last decade, and this is evidence that its economic policies are working."

Corruption in very high places

Working for whom? is the question most Ugandan citizens have. The World Bank report on corruption in Uganda reported, "The impression of the World Bank anti-corruption mission is that the prevalence of corruption in Uganda is highest in the areas of procurement, particularly military procurement, and reform, and privatization of public enterprises." The report also noted that there is widespread institutionalization of bribery throughout the country, especially in dealings with the police and with the judiciary, areas in which Museveni's security apparatus is directly involved.

Cases of large-scale embezzlement documented in the World Bank report included the stealing of donor funds disbursed to the ministries of health and education and to the Ugandan Electoral Commission, as well as funds disbursed to projects aimed at helping alleviate poverty, which were embezzled and never benefitted the intended poor. The World Bank report specifically targeted Vice President Wandira Kazibwe, whose office is being investigated for the loss of 3.4 billion Ugandan shillings in a valley dam scheme which was paid for, but never constructed.

The report of the Ugandan Parliament select committee on the privatization process in Uganda covered the privatization of three parastatals: the Ugandan Commercial Bank, illegally bought by Museveni's brother; the Uganda Airlines Corporation; and TransOcean. State Minister for Privatization Matthew Rukikaire has already been forced to resign because of the report. The report said that the privatization process had been completely manipulated by what it called "powerful families."

The case of Salim Saleh

The Criminal Investigations Department (CID) in Uganda has now opened files on Maj. Gen. Salim Saleh and

four ministers in the government: State Minister in Charge of Privatization, the now-resigned Matthew Rukikaire; Works and Transport Minister John Nasasira; State Minister for Finance Sam Kutesa; and former Finance Minister Mayanja Nkangi.

Rukikaire and Nkangi are to be held responsible for failure to supervise the privatization process, while Kutesa and Nasasira are named for running down the Uganda Airlines Corporation. Kutesa's wife, Jennifer, is a cousin of First Lady Janet Museveni. Kutesa is the chairman of the board of the Entebbe Ground Handling Services, in which Salim Saleh's firms, Global Airlinks and Efforte, have majority shares.

Saleh's proffered reason for his illegal acquisition of the Uganda Commercial Bank is that he wanted to retain the bank in the hands of Ugandans. However, he is himself involved with foreign exploiters of Africa's mineral wealth. He is a stockholder in Banff Resources, the Canadian company which is planning to mine the Kilembe Mines. In the mid-1990s, he was understood to be the secret shareholder with Baroness Lynda Chalker, former British Minister for Overseas Development and the foremost supporter of President Museveni, along with Barclays Metals, in the gold mines of Karamoja.

Aside from the UCB scandal, Salim Saleh is also coming under investigation for his role in a deal with Israeli arms dealer Amos Golan of Silver Shadow, Ltd., for the sale of 62 T-55 tanks to Uganda, of which all but eight were not combat-worthy.

Salim Saleh has also admitted to the press that he was previously heavily involved in business ventures in eastern Congo, which he has revived under the current invasion. On Sept. 26, 1998, Salim Saleh's name turned up when the plane of one of Museveni's nephews, Col. Jet Mwebaze, crashed in western Uganda near the Congo border. More than \$1 million in cash was found on the plane, and Mwebaze and the pilot had reportedly been shot. Other passengers included Asian businessman Arif Mulfi and Israeli businessman Zeev Shif, a partner in Salim Saleh's Efforte Corporation. The belief is that the plane was going to the Congo for a pick-up of gold in areas currently under the occupation of Ugandan troops.

Now, it is reported in the pro-government Ugandan daily *New Vision* that Salim Saleh is now preparing for a massive deal in beef exports to Burundi, where the Tutsi military allied to Museveni runs the nation's business.

Both Salim Saleh and Museveni deny that the Ugandan President, the commander-in-chief of Uganda's armed forces, has any knowledge of Salim's business ventures. They even claim that Museveni disapproves of them. But it is hard to escape the conclusion that Museveni et al. are reaping the pecuniary benefit of the deployment of Ugandan soldiers. With the Paris Club ready to dish out \$2.2 billion as their "investment" in Uganda's militarism, it is also hard to escape the conclusion that the stake of those in London, New York, and Paris is a lot bigger.